



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | MARCH 11, 2020

DIRECTORS PRESENT

Director Don Chadd, Committee Chair
Director Mike Safranski, Committee Member

STAFF PRESENT

Fernando Paludi, General Manager
Michael Perea, Assistant General Manager/District Secretary
Karen Warner, Senior Accountant
Lisa Marie Sangi, Administrative Assistant

DISTRICT CONSULTANT(S) PRESENT

None

PUBLIC PRESENT

There were no members of the public present.

CALL MEETING TO ORDER

Director Chadd called the March 11, 2020 Finance/Audit Committee Meeting to order at 6:00 P.M.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

No comments were received.

REPORT FROM THE ASSISTANT GENERAL MANAGER

Mr. Paludi reported on the following matters:

- Local Agency Formation Commission of Orange County (OC LAFCO) has issued a notice that the annual dues for special districts in Orange County will be adjusted based on an updated formula from the Independent Special Districts of Orange County (ISDOC). Mr. Paludi mentioned that the District's dues are tentatively scheduled to be decreased.
- Mr. Paludi reviewed proposed state legislation that District staff is currently monitoring related to the exemption of certain uses of emergency backup power, including use during power safety power shutoffs. Mr. Paludi added that more information concerning the matter will be presented to the Board of Directors at the Regular Board Meeting.

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FINANCE AUDIT COMMITTEE MEETING RECAP | MARCH 11, 2020**

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The February 12, 2020 Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION:

The Committee recommended that the February 12, 2020 Finance/Audit Committee Meeting Recap be forwarded to the Board of Directors (Consent Calendar).

ITEM 2: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, TENTATIVE FUTURE MEETINGS/ATTENDANCE ITEMS

Mr. Paludi presented this matter for Committee consideration and review.

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses for February 2020, and the tentative future meetings be forwarded to the Board of Directors for ratification (Consent Calendar).

ITEM 3: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT WATER, WASTEWATER, AND NON-DOMESTIC WATER RATES AND CHARGES ANALYSIS

Mr. Paludi provided a brief status update on this matter, and he reported that District staff, including the District Treasurer, met with Raftelis Financial Consultants (Raftelis) to review and evaluate the feedback from the Board of Directors at Special Board Meeting – Budget Workshop. Discussion occurred concerning certain updated information based on staff evaluation, and the possibility of scheduling a Special Board Meeting – Rates Workshop in late April 2020.

RECOMMENDED ACTION:

The Committee received the information concerning the matter. No action was taken.

ITEM 4: DISCUSSION AND APPROVAL OF THE DISPOSAL OF SURPLUS DISTRICT EQUIPMENT

Mr. Perea presented this matter for Committee consideration, and he briefly reviewed the Board-approved policy related to the disposal of surplus District property and equipment. Mr. Perea presented the Surplus Equipment Survey Report (Report) prepared by District staff, and he reported that the vehicles indicated in the Report will be scheduled for public auction.

RECOMMENDED ACTION:

The Committee recommended the Board of Directors authorize the General Manager to dispose of surplus District equipment in accordance with the Board-approved Policy (Action Calendar).

ITEM 5: OTHER MATTERS

There were no other matters presented for review.

RECOMMENDED ACTION:

Committee to receive information at the time of Committee Meeting.

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ITEM 6: FINANCIAL REPORT

Mr. Paludi presented the preliminary unaudited financials for January 2020 to the Committee for review and comment:

STATEMENT OF REVENUES AND EXPENSES

Operating Revenue, Residential Water Revenue

Mr. Perea reported that this line item was lower than the prior month due to decreased water demands.

Operating Revenue, Baker Treatment Plant Water Sales

Mr. Perea reported that this line item was lower than the prior month due to decreased water sales to the City of San Clemente.

Operating Expenses, Total Operating Expenses

Mr. Perea reported that this line item was lower than the prior month due to decreased operating expenses and he highlighted certain associated sanitation costs and expenses.

Discussion occurred concerning the seasonalization of certain operational expenses.

RECOMMENDED ACTION:

The Committee signed the bills for consideration and the warrant register and recommended that the Board ratify payment of the bills for consideration for March 11, 2020 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the March 11, 2020 Finance/Audit Committee Meeting at 6:11 PM.